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Measured as a diminution of private capital, it represents expense.

Measured as a reversal of public income, it represents pain.

Measured as a reversal of private income, it represents lapse of opportunity.

The first three of these points are sufficiently obvious. The fourth is more difficult, chiefly because we are in the habit of measuring private income in terms of money, and thus giving it in our minds the form of a concrete quantity in an assumed time unit rather than the form of a current, or flow.\* I think it will be found on examination that opportunity lapsing is the only available reverse for opportunity accruing. Any other conception involves either a diminution instead of a reversal, or else an unworkable and unmeaning term, like "opportunities for pain." I think it will also be found that "lapse" bears the same relation to "pain" that "expense" does to "waste."

It would take too much space to attempt to indicate the bearing of these relations upon some of our present theoretical controversies. I prefer to leave this to the readers of the *Quarterly Journal of Economics*.

ARTHUR TWINING HADLEY.

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## CALIFORNIA AND THE DIRECT TAX OF 1861.

The payment of the direct tax levied by Congress in 1861 was effected in California under unusual conditions and by an irregular and curious process; and some account of the episode may be of interest to students of financial history. It will be remembered that Congress had allowed any State to assume its quota of the direct tax, and that California, like almost all the loyal States, took advantage of this option; though, unlike other States, which satisfied their quotas by an

\* The mathematical reader will of course see that our capital conceptions represent integrals, our income conceptions differentials; that a diminution of the integral connotes a change of sign in the differential; and that the difficulty here described is simply a result of the habitual substitution of an integral between limits for a differential.

offset of their claims against the United States, California levied and collected her tax, and paid it in cash to the federal treasury. It will be remembered, also, that legal tender notes were at no time in general circulation in California. In that State gold was not, as elsewhere in the country, at a premium compared with current paper, but paper was at a discount compared with the gold in common use.\*

Under these circumstances, State Treasurer Ashley conceived the idea in June, 1862, of making an exchange of the coin which might come into his hands, belonging to the federal direct tax fund, for United States legal tender notes, with the view of using them to pay California's quota. On the 1st of September, 1862, there was of the direct tax fund, in the hands of the treasurer, the sum of \$70,932.56; of which \$68,862.56 was in coin and \$1,570 in legal tender notes. Deducting from the \$70,932.56 the 10 per cent. allowed to the State by the federal government, if payment was made before October 1, the sum of \$63,839.31 was left, to be paid to the assistant treasurer of the United States.

Under date of September 1, 1862, the State treasurer addressed a letter to the assistant treasurer, informing him of the amount on hand belonging to the federal direct tax fund, and his readiness to pay the same at his office in Sacramento. The assistant treasurer answered on the 6th of September, declining to go to Sacramento for the money, on the ground that he was not authorized to receive money at any other place than his office, and suggesting that, as the act of the legislature required the money to be paid at San Francisco, the expense of transportation should be paid by the State. Two days later the State treasurer informed the controller of the amount on hand in the federal direct tax fund, and advised him that the law required payment to be made on warrant drawn by the controller. On the 9th of September the controller replied, advising the treasurer to retain the amount on hand until the November settlements with the county treasurers should enable him to make the entire settle-

\* See the articles by C. F. Dunbar, on the "Direct Tax of 1861," in this *Journal* for July, 1889, vol. iii. p. 444, *seq.*; and by the present writer on legal tender notes in California, in the issue for October, 1892, vol. vii. p. 1.

ment of, say, \$254,000, and then to make it in treasury notes, for the benefit of the State. The controller, on several occasions before and after this communication, had urged this course on the treasurer. About the middle of the same month Treasurer Ashley, being in San Francisco, employed the law firm of Patterson & Stow, at a stipulated fee of \$500, to give him their opinion as to the legality of making exchange of coin into legal tender notes, and of making payment of the same to the government for California's quota of the federal direct tax, on which they gave a favorable opinion. Having obtained this opinion, the treasurer entered into an agreement with I. & S. Wormser, of San Francisco, to purchase the notes for the first payment from them, at the rate of  $92\frac{1}{2}$  cents on the dollar. Other brokers were not consulted, for the reason, as the treasurer stated, that he did not wish to make the fact of the proposed exchange known, lest it should disadvantageously affect the market. A few days later the controller drew a warrant on the State treasurer as follows:—

SEAT OF GOVERNMENT,  
CALIFORNIA, SEPTEMBER 22, 1862.  
CONTROLLER'S OFFICE.

\$63,839.31.

The Treasurer of State will pay out of the Federal Tax Fund, to the order of D. R. Ashley for Assistant Treasurer United States, San Francisco, sixty-three thousand eight hundred and thirty-nine  $\frac{31}{100}$  dollars. Kind of service,—State's quota (portion of) direct tax due United States. Liability accrued, September 22, 1862.

G. R. WARREN, *Controller*.

Treasurer Ashley, having received this warrant from the controller, in company with him took the money from the vaults of the State treasury, and went to San Francisco. Here Ashley delivered the money to W. W. Stow, of the firm already mentioned, taking no receipt or security from Stow for the money, and making no written or verbal agreement in the presence of witnesses concerning the nature of the trust confided, which was to keep possession of the money, and pay it out to I. & S. Wormser as fast as they should procure legal tender notes, and deliver them to Mr. Stow. The money left by the treasurer, about \$58,000, was deposited by Stow in a bank to his own credit, and was paid out, on checks drawn

by him, for legal tender notes as they were delivered by the persons who had agreed to furnish them.

On the 28th or the 29th of September the treasurer returned to San Francisco, and offered the notes, which he had collected through Stow and otherwise, to the United States assistant treasurer. The assistant treasurer refused to receive them; and the State treasurer thereupon left them with Stow, and returned to Sacramento. A little later, on the 6th of October, Assistant Treasurer Cheeseman informed the State treasurer that he was ready to receive the payment; and, accordingly, on the 8th of October the notes previously refused were received by the United States assistant treasurer, in part payment of California's quota of the federal direct tax. The amount saved in coin by this first payment in notes was \$4,486.39.

Immediately after this payment the State treasurer began to make arrangements for procuring legal tender notes to pay the remainder of the tax assumed by California; and on the 11th or 12th of October he made an agreement with Stow, by the terms of which Stow was to furnish Treasurer Ashley the notes he needed to make the last payment (\$170,836) at 88 cents on the dollar. On the 27th of December the controller drew his warrant in favor of "D. R. Ashley for Assistant Treasurer United States, San Francisco," for the balance of State's quota remaining unpaid; namely, \$183,606.10. This amount was accordingly drawn from the State treasury by Ashley,—\$12,770 in legal tender notes which had been paid in by the county treasurers and \$170,836.10 in coin. The State treasurer then took the money to San Francisco, and paid to Stow \$150,335.68 in coin for \$170,836 in legal tender notes. On the 2d of January the State treasurer tendered to the assistant treasurer of the United States, at his office in San Francisco, the sum of \$183,606 in legal tender notes and 10 cents in coin, in full payment of California's quota of the federal direct tax. The assistant treasurer refused to receive the money on that day. On the following day, payment having been offered again, the assistant treasurer again refused to receive the notes, stating that he would await the action of the legislature in the matter. On the 24th of Feb-

ruary the assistant treasurer informed the State treasurer that he would receive payment of direct tax as tendered on the 2d and 3d of January; and on the 26th of February the State treasurer made the payment, as suggested, in the currency that had been previously offered, and received a receipt from the assistant treasurer in full for California's quota of the federal direct tax.

A committee of the legislature appointed to investigate this transaction found that the treasurer of the State never consulted the attorney-general of the State upon the right or propriety of exchanging the coin into legal tender notes; but there was no evidence submitted to the committee warranting the conclusion that either Treasurer Ashley or Controller Warren derived any pecuniary benefit from the transaction. As a result of this much debated and much investigated transaction, there was a saving to the State treasury of the sum of \$24,260 in coin.

The investigating committee of the legislature made a majority and a minority report. The majority report affirmed that the laws bearing upon the mode of paying the quota of the direct tax were in almost irreconcilable confusion and conflict. The State statute of 1862, while providing for levy, collection, and payment, provided no means for full compliance with the federal statute. The latter, it was said, declared plainly and distinctly that, where a State assumed the tax, she must pay it into the United States treasury, and that the United States authorities were called upon to do nothing until the money was presented at the treasury door. The State statute, on the other hand, provided that all officers required to discharge duties relative to the assessment, collection, safe-keeping, and disbursement of the federal tax, were to be governed by the same laws, and liable to the same penalties, as in the collection, safe-keeping, and disbursement of the tax for State purposes. This law, operating upon the treasurer and controller, made it impossible for the money to be lawfully drawn out of the State treasury and paid into the United States treasury at San Francisco, unless the United States treasurer at San Francisco took some active part in the transaction, by filing his claim with the Board of Examiners and

obtaining the warrant of the controller. But these conditions were not complied with, the United States treasurer claiming, in substance, that he had nothing to do but receive the funds at his counter in San Francisco. It was pointed out, further, that the State controller did not follow the law in drawing his warrant, inasmuch as it was not drawn in favor of the United States assistant treasurer, as required. But, considering the difficulties of his position, the committee concluded that the controller acted in good faith and according to his best judgment. The conduct of the treasurer in exchanging the coin for legal tender notes was wholly unauthorized by law; yet it appeared clear to the committee that he made the exchange solely from a mistaken notion of benefit to the State.

The minority report maintained that the acts of the controller and the treasurer were not warranted by law, deprecated the humiliating position in which the State of California was placed by these acts, and recommended the following resolution, which was adopted, at least by the assembly: "*Resolved*, That G. R. Warren, State Controller, and D. R. Ashley, State Treasurer, the first in drawing warrants Nos. 210 and 735, and the latter in exchanging coin into legal tender notes to make payment of California's quota of the federal direct tax, transcended the limits of their authority, and disregarded the plain letter of the law."

The Governor (Leland Stanford) was of the same mind, and in October, 1862, wrote to the federal treasurer, "I protest against this action on the part of the State treasurer, and most earnestly assure . . . the general government that the loyal people of this State have no desire to benefit themselves at the expense of the general government." In his message to the legislature in January of 1863 he again publicly disavowed the action of the State officials. The people of California, it is safe to say, were nearly of one mind in repudiating the transaction.

BERNARD MOSES.

WITH its issue for March, 1897, the *Charities Review* enters on its sixth volume, in new dress and under new auspices, and with assurance of wider interest and greater usefulness. Mr. Frederick H. Wines assumes editorial charge, and has the assistance of a committee of nine equally competent associate editors. Though still published by the Charity Organization Society of New York, the *Review* will henceforth be the organ of no association and of no interest; and, while still giving much attention to the question of organized charity, its field will include the whole social question from its philanthropic side. The magazine *Lend a Hand* has been united with it. Twelve numbers a year are promised, at a subscription price of \$2.00, which may be remitted to the *Charities Review*, 105 East 22d Street, New York.

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IN *Bradstreet's* for January 23 of the current year, some statistics, collected by the agency which gives its name to that journal, are given as to commercial failures over a series of years in the United States and Canada. The information so brought together is of interest to economic students, and the main results are here reproduced.

The total number of enterprises of which account was taken, and the number of failures, since 1891, were as follows:—

	<i>Enterprises.</i>	<i>Failures.</i>
1891 . . . . .	1,903,610	14,240
1892 . . . . .	1,127,424	11,592
1893 . . . . .	1,136,662	17,289
1894 . . . . .	1,120,995	14,588
1895 . . . . .	1,134,299	14,874
1896 . . . . .	1,162,048	17,298

The figures thus would indicate an annual ratio of failures to businesses of one per cent., more or less. But these were the overt failures only, in which there was loss to creditors. With them should be considered the much more numerous cases in which the field was abandoned from want of success,



though all debts were met. The records from which the information comes as to overt failures give a general clew, though no precise figures, as to the other cases also. It would appear that about 100,000 businesses were annually given up because of lack of success, even though with no failure to pay outstanding obligations. Taking the two classes together, there is a general commercial death-rate of something like eleven per cent.

The effect of the crisis of 1893, and the years of depression that followed, appears plainly in the record of failures. But it appears more strikingly still in certain figures as to the commercial repute of the bankrupt enterprises,—figures which are further interesting as indicating how far the commercial agencies are successful in reporting the condition of the particular businesses. The failed enterprises were divided into three classes, according to their rating on the books of the agency; and the proportion of each class in the total of failures was then computed thus:—

	VERY MODERATE OR NO CREDIT. <i>Per cent.</i>	GOOD CREDIT. <i>Per cent.</i>	VERY GOOD CREDIT. <i>Per cent.</i>
1889 . . . . .	92.0	6.6	1.2
1890 . . . . .	91.9	6.3	1.6
1891 . . . . .	91.2	7.1	1.7
1892 . . . . .	93.0	5.9	1.1
1893 . . . . .	69.7	27.1	3.2
1894 . . . . .	71.0	27.4	1.6
1895 . . . . .	72.3	26.2	1.5
1896 . . . . .	71.7	25.5	2.8

The proportion of failures (shown in the second column) among those whose credit was good, even though not of the best, increases with the crisis of 1893 and the succeeding years of depression. The shock and the trying times that followed caused the collapse of many enterprises, most of them doubtless really unsound and likely to succumb sooner or later, whose commercial rating had yet remained respectable, and who had been able to hold their own during the years of general activity and confident optimism. A similar effect, though not so marked, appears in the somewhat larger proportion of failures, from 1893 to 1896, among those rated as in

"very good credit." The whole series of figures illustrates the course of events preceding and following a commercial crisis: before, hopeful speculation, and the continued prosecution of ill-directed enterprises; after, collapse, and the gradual and reluctant weeding-out of the unsound elements.

An attempt was made also to classify the failures according to their causes, such as "incompetence," "lack of capital," and what not. Figures arranged on this basis are given for the years from 1893 to 1896. It may be serviceable to put on record here the main results of this classification (for the United States alone).

PER CENT. OF FAILURES DUE TO VARIOUS CAUSES.

	BY NUMBER OF FIRMS.				BY LIABILITIES.			
	1893	1894	1895	1896	1893	1894	1895	1896
Incompetence . . . . .	16.4	14.1	13.7	12.5	7.4	10.4	9.8	13.6
Inexperience . . . . .	6.1	4.2	4.0	4.6	1.2	2.1	1.7	1.6
Lack of capital . . . . .	33.5	34.6	33.2	31.1	19.8	25.8	26.1	20.7
Unwise credits . . . . .	4.7	4.2	4.6	4.4	3.4	3.5	5.1	3.5
Speculation (outside) . . . .	1.2	.8	1.1	1.2	5.6	3.0	3.7	4.3
Neglect of business . . . . .	3.2	2.5	2.6	2.3	1.0	1.3	1.3	.9
Extravagance . . . . .	1.3	1.1	1.0	.9	1.0	1.0	1.6	1.1
Fraudulent disposition . . . .	7.4	8.0	8.9	9.2	4.2	6.4	6.9	5.7
Disaster (commercial crisis)	22.3	25.9	24.9	27.5	45.2	39.0	33.6	37.4
Failures of others . . . . .	2.9	2.5	2.3	2.7	10.0	6.2	8.1	9.2
Undue competition . . . . .	1.2	2.1	3.6	3.6	1.0	1.3	2.0	2.0

Something perhaps, though not a great deal, can be gleaned for the purposes of the student of economics from these figures. Fraud seems to be more common among the small concerns than among the large: so much is indicated by the greater weight assigned to this cause for number of failures than for liabilities. Failures of others, and outside speculation, as might be expected, affect the large firms more than the small; while neglect of business is more common among the small. But the grounds of classification must contain large possibilities of error, while the great proportion of failures ascribed to commercial crisis rather registers a familiar fact than states a cause.

By the Conciliation Act of 1897 statutory authority was for the first time conferred upon the English Board of Trade to act as conciliator in industrial disputes. The act runs as follows:—

Where a difference exists or is apprehended between an employer or any class of employers and workmen, or between different classes of workmen, the Board of Trade may, if they think fit, exercise all or any of the following powers, namely: (*a*) inquire into the causes and circumstances of the difference; (*b*) take such steps as to the Board may seem expedient for the purpose of enabling the parties to the difference to meet together by themselves or their representatives, under the presidency of a chairman mutually agreed upon or nominated by the Board of Trade or by some other person or body, with a view to the amicable settlement of the difference.

Thus empowered, the Board of Trade has during the past year continued to pursue that policy of cautious mediation which it had already entered upon without express authorization. It has settled, to the satisfaction of both parties, a dispute between the London & North-Western Railway Company and its employees, which threatened to dislocate traffic; and it has been applied to by employers as well as employed in several other cases. Settlements have been reached, according to the statement of Mr. Ritchie, the minister at the head of the department, "not by the fussy or officious interference of the Board of Trade, but by bringing the parties together. The principal object of the Board of Trade in all these cases has always been not to put their statutory powers as conciliators into force, but to get those concerned to settle their disputes among themselves. They believe that, if they can get the parties to a dispute round a table, it will be found that there is really no very great difference between them, and that the difficulties in the way of a settlement will disappear." In one instance only has the Board been unsuccessful,—in that of the strike at the great Penrhyn slate quarries, which is still dragging out its weary length. Lord Penrhyn, the owner of the quarries, declined to accede even to the preliminary suggestions of the Board of Trade as to the arrangements for a meeting between the parties; and his refusal occasioned a debate in the House of Commons on January 28.

Mr. Balfour, the leader of the House, and Mr. Ritchie, the president of the Board of Trade, deprecated any attempt to enter into the merits of the dispute itself, on the ground that discussion in Parliament would but impede the future working of the Conciliation Act; and the motion for adjournment was finally negatived without a division. But the Conservative government assumed complete responsibility for the action of the department, and Mr. Ritchie declared that every one of the letters from the department to Lord Penrhyn had been written "under his own personal supervision." To the proposal that a representative of the Board should be present at the interview between Lord Penrhyn and a deputation of the men, Lord Penrhyn had answered that he must "decline to comply with such a suggestion, as my acceptance of it would establish a precedent for outside interference with the management of my private affairs"; and Sir Courtenay Boyle, the permanent secretary, had replied, doubtless with Mr. Ritchie's cognizance, in the following significant terms: "There is no desire to press the matter against your wishes; but, in view of the provisions of the Conciliation Act, the Board cannot admit that the settlement of a prolonged dispute, affecting thousands of workmen and their families, can be rightly regarded as a matter of private interest only."

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THE English advisers of the Egyptian government have been confronted with the difficulty of agricultural credit in the form in which it has for centuries repeatedly presented itself in countries cultivated by peasants. The practice of the fellaheen is to borrow in the spring from Greek usurers at ruinous rates, 20 or 30 per cent., and repay when the cotton crop is ripe. This gives rise to petty tyranny and injustice, and creates among the peasants much unintelligent but natural discontent. Moreover, the money-lenders, not being Egyptian subjects, are exempt from the native courts and subject only to the Mixed Tribunals, which find themselves burdened by a weight of trivial business, and compelled

to apply rules of law which, however proper in Western lands, work hardship in the East. The government, acting upon the advice of its English officials, has accordingly determined to try the experiment of supplanting the usurer by making small loans itself on good security. It appears from the last report of Lord Cromer, the English consul-general, that in 1896 the government made a beginning by effecting loans for £7,700, at 6 per cent., to small cultivators; that the whole of the capital and interest, except £20, was repaid by the end of November; and that in consequence the money-lenders had to lower their rates. The government does not expect to be able to carry on considerable operations of this kind; but even a very small venture may have a wholesome effect on the state of mind alike of the usurer and of the fellaheen.

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THE first experiment in compulsory insurance for the unemployed has been given up. The town of St. Gall, in Switzerland, which adopted a system for such insurance in 1895, has voted to abandon it. But the conditions of the experiment were such that the advocates of this plan for social reform stoutly deny that its failure has serious significance.

A compact account of the episode is given in the first number of the *Archiv für Soziale Gesetzgebung* for the current year, which is supplemented by some incisive comments from Dr. G. Adler in *Soziale Praxis* (November 19, 1896). The canton of St. Gall passed an act in 1894 by which communes were authorized, individually or by joint action, to establish compulsory out-of-work insurance. The town of St. Gall, capital of the canton, with some 28,000 inhabitants, took advantage of the permission, at first endeavoring to secure joint action with two neighboring towns (virtually suburbs), and, in default of their adhesion, proceeding independently. The system went into operation July 1, 1895. The premiums—which, being compulsory, were virtually

taxes — were divided into three classes, with benefits to correspond, on the basis of wages received, thus : —

<i>Wages, per day.</i>	<i>Premium, per week.</i>	<i>Benefit, per day.</i>
3 francs	15 centimes	1.80 francs
3 @ 4 “	20 “	2.10 “
4 @ 5 “	30 “	2.40 “

The premiums were collected directly from the workmen, through stamps bought by them and affixed in books. Non-payment was visited not only with forfeiture of the right to benefit, but with fine and imprisonment; though in practice these latter penalties, as might be expected, were never applied, and even the former and natural one was not rigidly enforced. Benefits were to be paid only after five days (not necessarily consecutive) of non-employment, and in no case were to continue for more than sixty days.

The collection of the premiums, as might have been expected, proved to be slow and hopelessly incomplete. Notices and threats were sent out “by the thousand,” yet most of those inscribed as insured were in arrears. It is stated (not officially) that at the close of the first year no less than 1,991, or nearly two-thirds of the insured, were behind in their payments. The day laborers, naturally, were the slowest in payment and at the same time the most frequent applicants for aid. Failure to pay was evidently, in practice, not conclusive against the receipt of benefits; for the official report remarks that “most naïve of all was the request of those who wished after New Year [when benefits first became payable] simply to deduct their premiums in arrears from the benefits claimed. In such cases the previous failure to make due payment was subjected to a fine of two francs for each month.”

A bureau for providing employment was set up, but evidently with no success and apparently with no very stringent administration. Applicants were not required to accept work outside the town; and, of the 430 applicants for aid, only 67 found work. Among the day laborers, who were most remiss in payment of premiums and were also the most frequent applicants for benefits, some were “little in earnest in trying to find work or in sticking to it when found.”

The number insured — *i.e.*, liable to pay premiums — in November, 1895, when things had settled down, was 3,035. The number to whom benefits were paid in the fiscal year 1895-96 was 363. But, as no right to benefit accrued until after payment of premiums for six months, the number of beneficiaries was practically that for half a year only. Of those who got aid, vastly the larger number, as has already been said, and, indeed, as almost goes without saying, were day laborers, insured in the lowest class. Next in number were the masons, whose work is largely dependent on the season; while skilled workmen in general made very small claims for indemnity.

The effect was that the skilled workmen were taxed to support the day laborers and others out of work. It is true that the city assumed the expenses of administration (some 5,600 francs), and added a subsidy of 6,000 francs; while the canton contributed a further 3,000 francs. But the expenses, all told, were 40,000 francs, and had thus to be met mainly from premiums. The premiums — virtually, taxes — amounted to 15.60 francs a year for each of the workmen in the highest class, who got little in the way of benefits. Hence these voted against the continuance of the system, and brought about its abolition. At a town meeting held in November, 1896, their votes caused a majority of three to two against the insurance bureau, which, accordingly, will cease to exist at the close of the current fiscal year, — on June 30, 1897.

The advocates of the general plan of unemployed insurance point out that various mistakes were made in this particular case. The area covered was too small. The failure to include the suburbs was particularly unfortunate. The premiums should have been collected from employers, not from the workmen. Larger contributions should have been made by the town or canton, or by the employers in trades specially subject to fluctuations. The administration was lax, — perhaps inevitably so under the circumstances, but, at all events, injuriously lax. And doubtless it is true that this trial was hasty and ill-advised, and that nothing more can be inferred from it than that average human nature presents very troublesome obstacles to the healthy operation of any such scheme, — which was not in need of demonstration.

THE *Journal Officiel* in its issue of January 6 gives the official results of the census enumeration of March 29, 1896. The total population of France, as then ascertained, and the population at previous census periods during the last two decades,\* was:—

	Population.	Gain since the preceding enumeration.
1876 . . . . .	36,905,788	802,867
1881 . . . . .	37,672,048	766,260
1886 . . . . .	38,218,903	746,955
1891 . . . . .	38,342,948	124,045
1896 . . . . .	38,517,975	175,027

It is mentioned in the report in the *Journal Officiel* that in recent years there has been some increase of emigration, especially to Algeria, and that the French military forces stationed in foreign countries are larger than in 1891; but neither of these factors would lead to any serious qualification of the statement that the population of France tends to be practically stationary.

The question suggests itself whether the slight gain in total population resulted from immigration or from natural increase by excess of births. The census report on its face would suggest the latter explanation; for it appears that the number of enumerated foreigners has declined, and has declined more rapidly since 1891 than in the period 1886–91. In 1886 the number of foreigners was 1,115,214; in 1891, 1,101,798; in 1896, 1,027,491. But, on the other hand, the statistics as to the movement of population up to and including 1895, given in a later issue of the *Journal Officiel*, prove a loss, and not a gain, by natural growth. For the five years 1891–95 we have the following figures:—

	Births.	Excess of Deaths.
1891 . . . . .	—	10,503
1892 . . . . .	—	20,041
1893 . . . . .	7,146	—
1894 . . . . .	39,768	—
1895 . . . . .	—	17,813
	<hr/> 46,914	<hr/> 48,357

\* The figures for the years preceding 1896 are taken from the *Annuaire Statistique*, except that for 1891 the figure there given (38,343,192) has been replaced in the text by that reached after correction of the first results of the enumeration of 1891.



The quinquennial period shows a slight net excess of deaths. Therefore the increase, such as it is, which the total population of France shows since 1891, must be due solely to immigration; while the decrease in the number of enumerated "foreigners" must be ascribed to the naturalization of a certain number of the immigrants.

While the total number stands almost still, change in its geographical distribution over the country continues. The cities gain, the country loses. The total population of the cities having a population of over thirty thousand increased between 1891 and 1896 by 327,009. The movement towards the cities has therefore proceeded at about the same rate as in the period 1886-91, when the urban population increased 362,444. Of the 60 cities which in 1891 had more than thirty thousand inhabitants, 53 have now gained in all 334,461, 7 have lost 7,452; leaving a net urban increase in 1891-96 of 327,009. Paris has gained 88,877; Marseilles, 38,490; Lyons, 27,951; and so on.

It is part of the same phenomenon that most of the departments lose in population. Out of 87 departments 63 have a less population than in 1891: only 24 gain. In not a few cases the department loses, notwithstanding an increase in the population of its urban centre. Here again, as in the figures of total population, there has been a marked change since 1886; for

in 1881-86 . . .	58 departments gained, 29 departments lost.
1886-91 . . .	32        "        "        55        "        "
1891-96 . . .	24        "        "        63        "        "

The decade just passed clearly is that in which the French have had to face the phenomenon of *dépopulation*.